# FOREIGN AGRICULTURE

APRIL 16, 1973

**Grapefruit Is a Comer In Mexican Citrus Industry**

**Shipping Cooperation Grows**

FOREIGN AGRICULTURAL SERVICE

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This week's cover:

Harvesting Mexican tangerines—a crop which, along with oranges, is too plentiful this year in the eyes of producers plagued by low prices. As a result, producers are taking a serious interest in the heretofore small grapefruit industry with its good profits and growing markets, as described in the article beginning on this page. (Photo courtesy Inter-American Bank.)


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# Mexico's Changing Citrus Industry Finds a New Star In Grapefruit


By RICHARD A. SMITH
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*Hand packing of oranges in Mexico. Overproduction and domestic marketing problems are plaguing this crop.*

MEXICO HARVESTED AN excellent citrus crop this season, but producers of oranges and tangerines also faced the problems of overproduction, with domestic prices generally depressed and growers in many areas not even harvesting their fruit. The emerging grapefruit industry, by contrast, continued its vigorous growth of recent years, and prices remained strong despite a record production.

These divergent results point to some fundamental changes in Mexico's citrus industry for the years ahead, with the limelight now shifting to grapefruit from the much larger but less profitable orange and tangerine crops.

Rapidly increasing tourism and changing local eating habits have given new status to the grapefruit in Mexico, as seen by the high prices and strong demand for it locally, relative to other citrus. And grapefruit also is becoming an export of increasing prominence, with shipments soaring over 10-fold since 1969-1970 and promising further growth as Mexico seeks other markets in addition to its U.S. outlet.

These factors, plus the preponderance of young trees still to come into bearing, are laying the foundation for further rapid gains in grapefruit production during the years ahead.

The traditionally big orange and tangerine industries, on the other hand, face a difficult future, as market saturation for fresh fruit continues to depress prices and causes growers to look elsewhere for profits. Thus, additional planting of these crops has virtually ceased, and future production of them appears likely to stagnate or possibly even decline.

Citrus producers in Mexico are concentrated in the four-State area of Nuevo León, Tamaulipas, San Luis Potosí, and Veracruz, where over 90 percent of commercial production and 95 percent of exports originate. The remainder is produced largely in Sinaloa and Sonora.

In the four-State region, harvesting of Mexico's 1972-73 citrus crop is nearing completion. Production of all fruits is up sharply from last season's low level, and the fruit of generally good quality.

The region's production of oranges, still by far the dominant citrus grown, is estimated at 1.1 million tons—7 percent over the 1971-72 level but 11 percent under the bumper 1970-71 crop. Production had been expected to recover to the 1970-71 level, but a heavy off-bloom caused by drought in the summer of 1972 prevented this taking place.

Weather also favored the tangerine crop, which for the four States is estimated at 169,500 metric tons, or almost double last season's output and slightly above the 1970-71 record. Quality and color of the crop was excellent.

Grapefruit production also reached a record. Estimated at 31,500 tons it was 54 percent above the 1971-72 crop and 27 percent over 1970-71's. This gain was due not only to good growing conditions but also to higher yields per tree from more mature trees

*Workers inspect young trees in a Mexican citrus nursery.*

and new trees coming into production. However, as a result of the large crop, sizes of the fruit were smaller than in 1971-72. Quality ranged from very good in Veracruz to below normal in exterior appearance in Nuevo León.

Except for grapefruit, this large production has created problems in the local market. So bad has been the price situation, in fact, that a number of Mexican growers did not even bother to pick their oranges and tangerines this season.

For early fresh market oranges (sold during the early fall), for instance, prices ran around US$24-28 per metric ton on the tree, depending on size and quality. Processors were paying only about US$16 per ton on the tree, and the wholesale price in the Mexico City market was averaging between US$40 and US$44 per ton in bulk.

Grower's prices for tangerines started the season at US$32 per ton on the tree but dropped to about US$24 per ton by early December as a result of the larger supplies available from the bumper harvest.

Grapefruit prices, by contrast, have ranged from as low as US$48 per ton on the tree in the fall to over $80 in Veracruz during the latter part of the harvest period when prices jumped as a result of short supplies there and a seasonal rise in tourism. Processors in the early season were paying US$40-48 per ton on the tree for the small amounts going into processing, and the Mexico City market price per ton in bulk was US$72-80.

In addition to the good returns to be had from grapefruit production, growers also benefit from relatively low costs of production. Labor costs average around US$2.24 per day for field workers and US$2.40 for packing plant workers. In both southern Tamaulipas and Veracruz, no irrigation is required, and spraying is held to a minimum by good biological control programs.

For all the citrus crops—and especially oranges and tangerines—domestic marketing problems are complicated by a loosely organized system of distributing products to local markets.

Practically all the citrus moving to local markets is sold in bulk, with no grading or packing. Generally, buyers send trucks to the citrus groves and purchase the fruit on the tree, with the buyer paying for picking. The fruit is then loaded directly into trucks and transported in bulk to central markets, often arriving in poor condition, without any uniformity of quality.

Because of such procedures, the benefits of a good-quality harvest are little seen in the local marketplace, which, despite a growing export trade, still consumes the biggest share of Mexico's citrus production.

Export fruit, by contrast, receives careful treatment in modern packing and processing plants, mainly in the Montemorelos-Linares area of Nuevo León. Some 20 packing plants are located there, with 19 having fumigation facilities approved by the U.S. Department of Agriculture and certified to export citrus to the U.S. market. These facilities are modern and closely resemble those in the United States from the standpoint of receiving, sweating, washing, grading, sizing, coloring, wrapping, storing, and fumigation.

A large part of this export fruit moves to the United States. During 1971-72 (September-August), official data show that the United States took 64 million of the 83 million pounds of oranges exported and 18 million of the 19 million pounds of tangerines. This amounts to 77 and 95 percent, respectively, of the export totals. Grapefruit exports during 1971-72 were 6.2 million pounds, of which 97 percent went to the United States.

***"In addition to the good returns to be had from grapefruit production, growers benefit from relatively low labor costs."***

East Germany is Mexico's second most important market for oranges and tangerines, followed by Canada and Argentina. Canada and Japan are the only other grapefruit markets.

Exports of processed citrus products, mainly frozen orange concentrate, have also been increasing rapidly. In 1971, for instance, orange concentrate exports (65° brix) climbed to 402,000 gallons from only 180,000 in 1970. And in 1972, they probably hit 2 million gallons, or about two-thirds of total production.

Here again, the United States is the principal market, taking 215,000 gallons of orange concentrate in 1971 and a million in the first 9 months of 1972. Canada accounts for most of the remaining exports, with small amounts also going to Europe. Another million gallons of concentrate are estimated to be consumed domestically.

For the 1972-73 season, shipments—particularly of fresh tangerines and grapefruit—have been above those of 1971-72 as a result of the bumper crops and good-quality fruit.

Grapefruit exports during the prime period of August-November, for instance, climbed to around 11.2 million pounds from the 6.2 million shipped in all of 1971-72. As in the past, the United States was the main market, although some grapefruit did move to Canada. Interest has also been shown in Japan, Europe, and Latin American markets—outlets which, of course, will become more important in the future as grapefruit production continues to expand.

At this point growth can be almost assured, since a majority of grapefruit trees either have not yet come into bearing or have not reached full production. Although exact data are not available on total area planted to grapefruit or age of trees, conservative trade estimates place half of the trees in the nonbearing category. And many estimates of nonbearing trees go as high as two-thirds.

In addition, grapefruit plantings appear likely to increase further, particularly in Tamaulipas and Veracruz, as a result of the good returns currently to be had.

Most trade and Government observers, on the other hand, feel that new planting of oranges and tangerines has virtually stopped as a result of the generally demoralized state of the local market. Just a few years ago, by contrast, these industries were in much the same position as the grapefruit industry is today, with favorable returns prompting a marked increase in new plantings. That expansion proved too great, as evidenced by the current problems of overproduction.

Some of these problems could be alleviated by expanded exports, but no dramatic change is expected since most of the fruit produced from the more recent plantings (in San Luis Potosí and Veracruz) is not suitable for export. Moreover, processing facilities, which normally would take a large part of any excess, are already operating at full capacity, and will not be expanding capacity until 1973-74.

# Saudi Arabian Retailer Finds Profits in Selling U.S. Foods

By DANIEL SHEPPARD
*International Trade Fairs Division*
*Foreign Agricultural Service*

In the oil-rich but agriculturally poor kingdom of Saudi Arabia, U.S. food products are finding a rapidly expanding market, which last year alone grew 38 percent to $32.9 million. And the future potential is even greater.

The fortunes being made in Saudi Arabia from the world's richest oil fields account in part for this impressive growth, but so also do the innovative marketing techniques of a few Saudi families, who are introducing supermarket-style retailing into a tradition-bound country, where bazaars and open-air stalls have for centuries dominated the food trade.

One pioneer in this new way is the Arif family of Jeddah, who has not only applied U.S. marketing techniques but also point-of-purchase (POP) promotions to its expanding food business, largely in imported U.S. food products.

Mohammed Arif, one of five brothers, developed the idea of a U.S.-style supermarket while attending the University of Colorado in the 1960's. Mohammed enjoyed walking through supermarkets here, observing the way food was handled and demonstrated and the relative ease with which purchases were made. He decided the time had come for such a market, but on a much smaller scale, in his homeland.

Consequently, Mohammed and two of his brothers—Hassan and Ihsan—in early 1968 began drawing up plans for a supermarket on Medina Road not far from the American Embassy on the outskirts of Jeddah.

Called the "Jeddah Shopping Center," the market opened in January 1969. Its original size was about 2,850 square feet, with a staff of six clerks and four office managers. There was one cash register.

Even this relatively modest store seemed revolutionary to many Saudi Arabians. They criticized the store's location in a residential area and its parking lot—an innovation for Saudi Arabia in 1969 and a waste of money in the eyes of many countrymen.

In a relatively short timespan, however, Mohammed's critics were proven wrong, and many of them now are moving rapidly to develop supermarkets similar to that of Mohammed and his brothers.

From its inauspicious beginning, the Jeddah Shopping Center expanded to the point where it now contains about 6,700 square feet, or almost three times the original area. Sales have risen from about $500,000 to $1,333,000 in 1972. From an initial 10, the number of employees has increased to 32, and there are now two cash registers, with one cash register able to handle both credit and cash sales.

Credit, in fact, has become a major selling point for the store, which now has over 500 "open credit" accounts, compared with none at the beginning. Moreover, customers using these arrangements and making monthly purchases of over 500 riyals (about $122) are offered a discount amounting to around 5 percent.

Customers have also benefited from other special services, including home delivery, personal notification when products arrive, and postal and bill-paying services.

Another important aspect of the supermarket's business has been its emphasis on imported U.S. foods, which even at the beginning accounted for 40-50 percent of the inventory and now make up 70-80 percent. A logical move thus was for the Arif brothers to begin conducting point-of-purchase promotions jointly with the Foreign Agricultural Service.

The first was held in November 1971. Despite some difficulties, like having to send to Beirut (over 1,000 miles away) for plastic shopping bags and color printing, the promotion was a huge success, with some 900 U.S. food products on hand for customers to select from. During the promotion, the supermarket's sales leaped 40 percent over those in the same period of 1970, and thereafter several of the new U.S. product lines continued to sell.

This set the stage for a second promotion from November 30 to December 5, 1972, featuring over 100 new product lines imported from the United States for the event. Incomplete data indicate this was even more successful than the first, with sales running 50 percent ahead of those in the same period of 1971.

Through the POP promotions, the Arif family has also been able to attract Arab customers, along with the foreigners who have shopped there from the beginning. During the point-of-purchase promotions, numerous Arab families entered the supermarket, many for the first time, to sample sophisticated U.S. foods and often make their first purchases of such products. Today, Mr. Arif estimates, one-third of the customers are Arab, compared with virtually none at the beginning.

The Arif family has just opened a second supermarket at Al Khobar in the Eastern Province of Saudi Arabia. And the family has tentatively requested store promotions in 1973 for the new store and the one in Jeddah.

The Arif brothers are aggressive salesmen who strive to please their customers with special services and new products. Unquestionably, they have been instrumental in fostering a change in Saudi Arabian eating habits.

*Left to right, supermarket owner Mohammed Arif with U.S. Ambassador to Saudi Arabia, Nicholas G. Thatcher, during a POP promotion.*

# Upsurge in U.S. Farm Exports Spurs Greater Cooperation In Shipping

By THOMAS M. POERSTEL
*Export Trade Services Division*
*Foreign Agricultural Service*

A 34-percent rise in the volume of agricultural exports this fiscal year has focused new attention on the physical job of handling and transporting commodities destined for foreign markets. It is bringing new impetus to a drive to smooth the working of a system that is presently straining to deliver a record 83 million metric tons of U.S. farm products into the hands of foreign customers. Involved in this drive are not only the transportation industry and the exporters of these products, but transportation equipment manufacturers, departments of agriculture in exporting States, and a number of U.S. Government agencies.

For too many years the transportation industry and the agricultural community have stood at arm's length—dependent on each other but strangely lacking in real coordination. On the one hand, we have had an efficient intercity transportation system—essential, highly respected, and accounting for some $6 billion of the total U.S. marketing bill, farm and nonfarm. On the other hand, we have had an enormously productive agriculture—in 1972, more than $58 billion in farm marketings and more than $9 billion in farm exports. Yet there has been no serious effort to attack jointly the problem of delivering agricultural products to foreign buyers.

Today, however, there is the beginning of change. Carriers are beginning to realize they need agricultural exports in order to utilize empty space on their ships—especially the container ships. And shippers are now aware that they need to know more about physical distribution of their goods; they are learning about their rights as shippers. Consequently, they now present a challenge to the transportation industry to provide more efficient and economical service to markets throughout the world, both those that are growing and those that are mature.

There are two main reasons why shippers have become increasingly aware of shipping techniques and problems.

First, the advent of containerization has introduced the shipper to a new and far more efficient way of exporting. Although there are decided advantages in this system, the shipper is becoming more aware of the fact that the system is only effective if it satisfies his specific requirements.

Second, inadequate service and high freight rates have forced the shipper to fight hard, with a systematic approach, for services and rates. But before confronting the service carrier with a high freight-rate claim, he must be certain that his own system of packaging and materials handling complements the container concept.

True, many shippers are too new at export or too small to solve their transportation problem single-handed. Fortunately, there are aids available.

One such aid is a movement, supported by both shippers and carriers, to discuss shipper problems in open forum. A "Shippers' Dialogue" has been sponsored in recent years by the Containerization Institute, Inc. Although the Institute is headquartered in New York, programs have also been held in various other States to attract interested shippers of farm products.

The third "Shippers' Dialogue" was held in New York on February 6 and 7 this year, with the theme of "The Container Shipment I Will Never Forget." Two more programs are scheduled this year, to be held in Houston, Tex., in May and in Chicago, Ill., in October.

The programs have had a variety of effects. Sometimes they can get to the root of a shipper's problem. Sometimes they can demonstrate to him that his problem is not unique, and this realization can lead to a joint effort at finding a solution.

These forums are also used to popularize transportation services in the region where the sessions are conducted and to update shippers' information on developments in transportation programs designed to help them. Examples are such topics as document simplification, intermodal rates, and port terminal interfacing—the coordination of various surface modes of transportation with port terminal conditions.

Shipper participation in discussions on transportation problems also takes place through export seminars conducted in various States with the support of USDA's Foreign Agricultural Service (FAS). These seminars are designed to inform new or potential exporters on basic concepts in exporting; but many times attention is given to answering specific questions on the "'how" of exporting.

Among such seminars given during 1972 were those in Kansas and Georgia, by the individual State Departments of Agriculture, and those in Chicago, Ill., by the Mid-America International Agri-Trade Council (MIATCO) and in Harrisburg, Pa., by the Atlantic

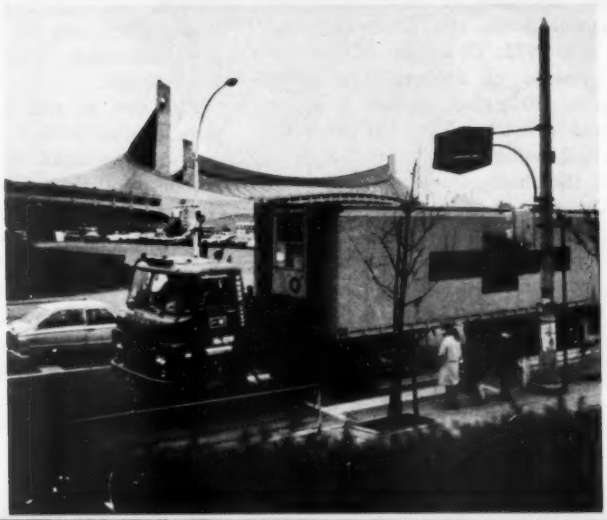
*Rapid expansion in container use has required much shipper-carrier dialogue. Above, containers of various types await embarkation at a U.S. port; above right, new and faster container ship that entered service recently; right, container being trucked to its final destination in Japan.*

International Marketing Association (AIM).

One 1973 event has been a national export marketing workshop held March 13-15 at College Park, Md., under the sponsorship of FAS, USDA's Agricultural Marketing Service (AMS), the National Association of Marketing Officials (NAMO), and the National Association of State Departments of Agriculture (NASDA). Another was a "fresh produce technical export tour" of Florida, which began in Miami on March 4 and ended at St. Petersburg on March 9. This was sponsored by the Florida Department of Agriculture.

A third aid is the Webb-Pomerene Act of 1918, under which shippers can be assisted to band together and form an organization whose sole aim is to export and whose main tool is strength to bargain for reasonable rates and dependable services. For example, the Pacific Agricultural Cooperative for Export (PACE), representing more than a dozen companies, is active on the west coast and has been successful in achieving some of its objectives.

Agencies of the U.S. Government are displaying their willingness to help shippers of farm products. FAS, in cooperation with the Agricultural Research Service (ARS) and others, has undertaken a program to encourage new exports of fresh produce by providing guidance to certain foreign buyers and U.S. shippers who are reluctant to import or export because of high transportation risks. During 1972 several controlled shipments of whole watermelons and fresh sweet corn were successfully made to Europe. These shipments proved that under controlled conditions and with closer attention to rate levels and type of service available, the transportation risk is not nearly so great and the cost is not nearly so high as shippers have thought.



This result, however, was not achieved without careful planning and proper coordination at all stages. Helping in this coordination are ARS branch offices located in four or five States as well as in the Netherlands. Their purpose is to carry out special research projects on packaging, handling, loading, and bracing of certain products including lettuce, celery, sweet corn, watermelons, grapefruit, beans, and hides.

FAS, as part of its export trade services program, also offers transportation coordination and liaison facilities on exports of fresh and processed farm products. These facilities are available to help both carriers and shippers ease and improve their relations with each other and also to smooth the path of specific shipments where problems have arisen on such matters as supply, rates, and services.

Other key agencies with more direct responsibility for transportation include regulatory groups like the Interstate Commerce Commission and the Federal Maritime Commission. These can for the most part be sensitive to shipper needs, though at times they are unable to provide solutions primarily because of the laws which govern their regulatory authority. Despite the difficulty of assisting shippers in the absence of a well-regulated intermodal system including through rates (one rate from origin to destination), these agencies have taken some actions.

The Federal Maritime Commission, for example, is currently involved in assisting exporters through an order which could legally require ocean carriers to remove disparities in rates on commodities moving in the same trade conference east and westbound if these rates are inordinately higher in one direction than in the other. The aim of this action is not only to remove the disparity, but also to provide more protection for exporters by requiring the carrier to inform them about rates

*(Continued on page 16)*

*Indian women shuffle through peanuts to turn the crop for even drying.*

# INDIA SHORT OF EDIBLE OIL, GRAIN

By EVANS BROWNE
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INDIA'S EDIBLE oil and grain supplies—severely reduced by 1972's monsoon failure—are significantly below normal levels. Grain shortfalls, however, have been partially relieved by purchases of 1 million tons of U.S. grain early this year.

Unless India authorizes further imports of vegetable oil or oilseeds, per capita availabilities could reach only 8.47 pounds in 1972-73, compared with 10.47 pounds in 1971-72.

Because of the short **peanut** crop, India's edible oil availability dropped by almost 400,000 tons, and oil and oilseed stocks were reduced to almost nothing. Imports this year are not expected to be as high as previous years' 200,000 tons, a level that would offset only 45 percent of the shortfall.

Even in a normal crop year, India produces only about three-fourths of its oil requirements, importing the remainder.

Since India's irrigation facilities are limited, the short and untimely monsoon had a drastic effect on the drought-sensitive peanut crop. For 1972, the average inshell peanut yield plunged to between 396 and 440 pounds per acre, from the 1971 all-India average of over 700 pounds per acre. By contrast, the average U.S. peanut yield is above 2,000 pounds per acre.

Government attempts to increase peanut yields have met with little success, since farmers are often unable to take advantage of modern techniques. Current research is stressing the use of pure seed, irrigation, weed and pest control, and fertilizer use—inputs that could increase yields to between 900 and 950 pounds per acre in a normal crop year.

India is the world's largest peanut producer. Most of the crop is crushed in India and the meal sold on world markets. Introduced to India in 1839, peanuts now cover 17.5 million acres of the 40 million acres in oilseeds. In the State of Gujarat, acreage has risen from 800,000 acres to 4.3 million acres in the past 20 years.

Monsoon rains traditionally supply most of the moisture needed for India's **foodgrain** crops, also substantially reduced in 1972. Of a claimed 9-million-ton reserve of foodgrains in July-August 1972, 3.5 million tons remained in October. India has purchased nearly 2 million tons of foodgrains to meet the shortage, including about 1 million tons of U.S. wheat and grain sorghum.

Short supplies are causing grain prices to climb at a startling rate. Even before the monsoon failure, grain prices were causing foodgrains, mainly wheat, to displace acreage in pulses. Per capita availability of pulses decreased from 132 pounds per person in 1965 to 88 pounds per person in 1972, and consumption is expected to decline even further this year.

The monsoon failure did not affect **peanut meal** exports to the extent that it reduced grain and oil supplies. By October 1972, India had already exported over 700,000 tons of cake and meal, and total 1972 shipments are reported to be 844,000 tons, compared with the 1971 record of 864,000 tons. In 1973, official sources indicate that exports may reach 600,000 tons in spite of the short crop, since high prices will attract some meal from fertilizer and other nonexport uses.

One of India's major foreign exchange earners, peanut meal is marketed by the Groundnut Extraction Export Development Association, rather than by the Government's State Trading Corporation, which controls most other exports.

Currently, India's Government is enthusiastic about encouraging **sunflower** production to meet the country's edible oil needs. In a drought year, sunflower is a far more profitable crop than peanuts, with yields averaging between 660-880 pounds per acre. Oil yields are comparable, with peanuts yielding about 45 percent oil and sunflowerseed about 40 percent. Sunflower requires little care, compared with hybrid crops and soybeans, and are relatively light insensitive, so they may be grown year around. Even under normal conditions, the only economic advantage in producing peanuts is that the plant, after harvest, may be used for fodder.

However, sunflower is a relatively new crop to India and some problems implicit in growing might limit production. Sunflower in the flowering and seed stages attracts birds, caterpillars, and aphids that eat the seeds and kill flowers. Although insecticides could be used, they destroy the bees needed for cross-pollination. Also, black stem rot is a problem.

The first to feel the oil shortages were India's manufacturers of vanaspati —a solid, vegetable shortening—which accounts for about 37 percent of the edible oil consumed in India. Although vanaspati can be composed of other oils, not acceptable in their liquid state, peanut oil shortages will greatly affect manufacture. The Government-controlled industry is allowed only a small margin of profit, and vegetable oil

imports have previously been used to keep prices down. Profits from soapmaking—a byproduct—keep many mills afloat financially.

Since agriculture is the major occupation, India's economy is highly sensitive to the monsoon rains. Most pressing is the need to feed the swelling population, increasing at the rate of about 2.5 percent a year. For most of India's people, the basic diet is fried bread, rice, and dahle, a pulse sauce or soup—all of which are in short supply in many areas.

The short monsoon sparked a series of interrelated agricultural problems in India. Water and fertilizer shortages reduced Green Revolution crops of rice and hybrid wheat. Because of the drought, fertilizer inputs burned hybrid grain crops or reduced yield below that of traditional varieties, suggesting that some farmers may revert to planting traditional low-yielding crops next year.

Moreover, water and fodder shortages in large agricultural areas reduced farm livestock—needed for plowing and transportation to markets. Lack of rainfall curtailed hydroelectric power, necessary for milling, fertilizer production, irrigation projects, and heavy industry.

Historically, India has monsoon failures every 5 to 6 years, often 2 years in succession. During the 1940's, Britain provided food assistance. In the 1950's and 1960's, the United States supplied large quantities of foodstuffs through the Agency for International Development and other programs. But the current food shortage is being relieved by commercial purchases on world markets, despite India's limited financial reserves in the current year.

# India To Encourage Soybean Production To Meet Growing Domestic Demand

WITH THE CURRENT shortage of vegetable oils and the need to correct calorie and protein deficiencies in India, the Government has increased emphasis on soybean cultivation. A processing plant capable of producing edible-grade soybean meal is also planned.

Preliminary estimates of acreage and yields for 1972-73, however, are considerably short of the proposed targets. To help meet goals set for the next year, the Indian Government is sponsoring expansion in areas that have a good potential for soybean cultivation.

Area under soybean cultivation in India during 1971-72 was estimated at about 62,000 acres (sole crop basis) compared with the target of more than 111,000 acres. In 1972-73, this area under soybeans increased slightly—to about 66,000 acres against a revised target of some 146,000 acres. These estimates are based on data compiled by the Department of Agricultural Economics and Farm Management, Jawaharlal Nehru Agricultural University, Jabalpur, Madhya Pradesh. Acreage by States is shown in table on page 16.

Failure to achieve the acreage targets in 1971-72 and 1972-73 was due primarily to limited processing and marketing facilities, shortage and high cost of good-quality certified seed, lack of a suitable variety for intercropping with cotton (which was the major thrust of the program in Maharashtra), and the widespread drought in 1972.

An overall estimate of average yield of soybeans on farms in 1971-72 is not yet available. Scattered preliminary reports, however, indicate that in many producing areas yields were not up to expectations. In many fields, soybean plant population was well below the optimum. In Maharashtra and Gujarat, yields were particularly low as mixed cropping predominated. However, high yields were reported on research plots at Jabalpur and Pantnagar. Yields on demonstration plots in Madhya Pradesh varied from 20 to about 56 bushels per acre.

Assuming an average yield of 15 bushels per acre, total soybean production in 1971-72 was tentatively estimated by the Planning Commission at about 30,000 tons compared with the target of 56,000 tons.

Acreage and production targets for 1973-74 are 988,000 acres and 500,000 metric tons, respectively.

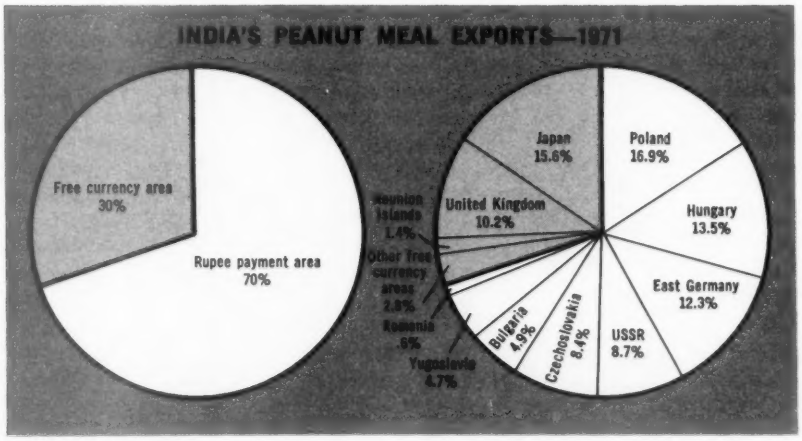
To help the States meet the highly ambitious targets, the Government of India is sponsoring a program for soybean cultivation in Madhya Pradesh, Maharashtra, Gujarat, and Uttar Pradesh, all of which have a good potential for this crop. Principal features of the program are:

- Providing a special staff for soybean extension work.
- Offering a 25-percent subsidy on cost of certified seed, plant protection chemicals, hand-operated equipment, and pesticides—US$2.18 per bushel maximum for seed.
- Acquainting farmers with scientific methods of cultivating soybeans by laying out demonstration plots—approximately US$27 per acre provided for cost of inputs.

The Government of India has fixed a minimum support price of US$3.08 per bushel for soybeans. However, the State Governments of Maharashtra and Madhya Pradesh have offered to buy soybeans produced in their respective States at US$3.63 per bushel.

With the planned increase in soybean production, India expects to increase its supplies of vegetable oils and to supply the nutrients now lacking in many

*(Continued on page 16)*



# ARGENTINE FARM OUTPUT RECOVERS FROM 1972 DROUGHT

AGRICULTURAL PRODUCTION in Argentina is staging a dramatic comeback from the reduced level of 1972, when drought and other natural adversities sharply reduced grains, oilseeds, and other crops.

Good pasture conditions and continued high prices on the world market are leading to greater production of livestock and meat products. Aside from deciduous fruits—which have been severely damaged by frost—and a sharply lower tung harvest, most crops will also gain in 1973. Recovery will be especially strong for grains—whose big plunge last year largely accounted for a 4-percent reduction in total farm output—and edible oilseeds, including the rapidly expanding soybean crop.

This expected production growth, plus high world prices, has generated a rare degree of optimism over 1973 export prospects. Even last year, when supplies were cut by drought, exports managed a good showing because of the high prices and large shipments of meat products. Agricultural shipments in 1972 totaled more than $1.6 million, compared with $1.5 million in 1971, and accounted for about 85 percent of all foreign exchange earnings. Leading categories were meat and meat products (over half the total) and grains and oilseeds (about 30 percent).

**Livestock and meat.** Meat industry and Government officials forecast that cattle slaughter and beef production in 1973 will exceed 1972's by 10 to 15 percent if pasture conditions and world prices remain favorable.

Last year, cattle slaughter held below expected levels (rising only 5 percent to 10.1 million head, compared with earlier estimates of 10 to 30 percent), as good pasture conditions, despite the drought, and sharply advancing livestock prices led to larger than expected retention of breeding stock. Beef production in 1972 moved up to 2.2 million tons (carcass-weight equivalent) from 2 million tons during 1971 for a 9-percent gain.

Hog slaughter and pork production in 1973 is expected to advance somewhat as a result of strengthening liveweight prices during late 1972 and larger feed supplies this year. Hog slaughter last year was off an estimated 19 percent to 2.4 million head, and pork production fell to 198,000 tons from 245,198. The decline was attributed to higher corn prices (particularly in late 1972) and a downtrend in liveweight prices of hogs from March through October 1972.

The sheep and lamb industry is in the midst of a herd buildup as a result of the improving world and domestic prices for wool. As a result, lamb slaughtering could fall this year, but not by anything so large as the 40-percent drop, to only 5.7 million head, last year. Lamb and mutton production that year probably fell to about 103,000 tons from 175,407 in 1971.

In view of the improved prospects this year for most livestock products and the continued strong world prices, exports of livestock and meat products could rise to between $950 million and $1 billion in 1973. This would be the second big gain in a row, following a 57-percent increase to $837 million in exports last year.

**Poultry meat.** Production of poultry meat, which has gained sharply in recent years as beef consumption has declined, should continue to grow in 1973, although perhaps at a reduced rate. In 1972, it totaled around 365,000 tons—an increase of 27 percent from a year earlier. Export prospects have also been enhanced by removal in September 1972 of the country's 32-percent export retention tax on poultry meat.

**Wool.** Because of the retention of sheep for wool production, output of this commodity can be expected to rise over the next few years. The 1972-73 wool clip is estimated up 5 percent to 170,000 tons (greasy basis), reversing a long-term downtrend in sheep numbers and wool production. This retention is likely to continue as long as wool prices remain relatively strong.

Wool exports in calendar 1972 are put at nearly 120,000 tons—marginally less than those a year earlier. Exports in 1973 should be higher as a result of the increased 1972-73 clip and prospects for an even larger clip starting in the second half of 1973.

**Dairy products.** Fluid milk output in 1973 should continue the rise of the past 2 years, reflecting good-to-excellent pasture conditions and a large retention of female breeding stock. Last year, production rose about 15 percent to a record 5.4 million liters. Except for condensed and evaporated milk, production of all other dairy products increased in 1972. Gains ranged from 1 percent for cheese to 49 percent for butter.

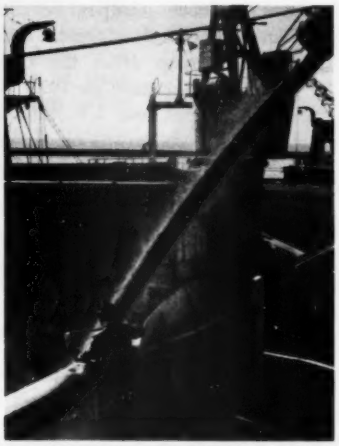
With milk and other dairy product output still on the rise, exports should also increase in 1973.

**Grains.** The grain trade is extremely optimistic regarding crops this season, with total production estimated at a record 25 million tons in a sharp recovery from the extremely low 15.3-million-ton crop of last year. As a result, total grain exports could reach 12.5 million tons, or more than double the 5.6 million of last year (see the March 12 and 19 issues of *Foreign Agriculture*).

Within the total, corn production is estimated at 9.6 million tons, compared with 5.9 million last year; grain sorghum at 4.8 million, against 2.4 million; and wheat at 8.2 million, against 5.7 million.

Last year, by contrast, corn and grain sorghum were struck by virtually every natural calamity possible and largely

*Above, Argentine Hereford cattle. Left, unloading corn at a farm shed, and, below, loading grain at a terminal elevator.*



*Below, slaughter plant employees prepare cuts of beef—a big Argentine moneyearner in both the domestic and foreign markets.*

accounted for a 15-percent reduction in total 1972 grain output. Corn, for instance, was hit by widespread frost during the critical pollination period. Then came hot, drying winds and extremely high temperatures, which prevented recovery of the corn and also dried out many newly planted sorghum fields. The eastern regions, which escaped the drought, were struck by a severe tornadolike windstorm with hail that demolished thousands of additional acres of corn. The final corn crop was 41 percent less than the previous season's, with harvested area off 23 percent and yield 24 percent.

Grain sorghum production likewise plunged 49 percent, as yields dropped 20 percent and harvested area, 37 percent.

**Rice.** With planting delayed by excessive rains, the Ministry of Agriculture estimates that 1972-73 rice area may be down 3 percent. However, the heavy rains could benefit yields and boost production above the 294,000 tons produced in 1972. Export availability will depend upon local demand, which was strong this past year, owing primarily to a potato shortage.

Rice production in 1972 was virtually unchanged from the previous season, despite delays in planting as a result of drought, higher than normal abandonment, and a 5-percent drop in average yield. Prices, however, skyrocketed—with the 1972 average rising 123 percent from 1971—and exports ground to a halt as prices became noncompetitive.

**Oilseeds.** With growing conditions favorable through the first of January and area larger than in 1972, edible oilseed production appears headed for a new record, provided neither disease nor drought affect the crop prior to harvesting. Sowings of the important sunflowerseed and peanut crops rose by 6 and 9 percent, respectively, according to the Ministry of Agriculture, and by much more according to the trade. A near doubling of area planted to soybeans will greatly increase this heretofore minor crop, which could begin to rival cottonseed in relative importance if average yields are obtained. Cottonseed also will expand, however, as a result of a 21-percent gain in cotton area.

Last year, by contrast, edible oilseed production scored its second straight decline. Peanuts suffered all of the loss, falling to 252,000 tons from 388,000 in

1971 as yields declined sharply. The drought, plus disease problems, also held sunflowerseed production to the 828,000-ton level, which was virtually unchanged from the previous year but off 27 percent from 1970. Cottonseed production was up marginally from 1971 to 173,000 tons. Soybean production climbed 37 percent to 78,000 tons, but this was from area up 110 percent.

The gain this year will allow a recovery in edible oil exports from the low levels of the previous season, when shipments plunged 50 percent as a result of the reduced peanut outturn and virtual cessation of sunflowerseed oil exports. The latter declined in response to strong local prices and maintenance of a high export tax. However, some peanut oil moved into export, after a long absence from the world market, as a result of a 70-percent reduction in the export retention tax in August 1972.

In 1973, peanut oil will probably be the leading edible oil export, as the local market discounts this oil while the world market pays a premium for it.

AMONG INEDIBLE oilseeds, the 1972-73 flaxseed crop is estimated by the Ministry of Agriculture at 345,000 tons—up 9 percent from the 1971 harvest of 315,600. Farmers continued, however, to reduce flaxseed plantings as a result of depressed prices coming from a buildup in both world and Argentine stocks of seed and oil. Area sown in 1972-73 was reduced 9 percent from the year earlier, 50 percent from 1970-71, and 67 percent from the peak reached a decade ago. Higher yields account for this season's gain.

Production of linseed oil in 1973 is expected to be slightly lower than in 1971 but well above last season's outturn, which was 61 percent under the 1971 level. Exports, however, are expected to fall below the 1972 level as the large oil carryover stocks of the past several years have now been worked down.

The tung crop is the one exception to this improved oilseed picture, with the crop to be harvested at mid-year 1973 expected to be sharply lower as a result of severe frost in late August and early September while the trees were in bud. Also, old trees are being cut because of reduced prices of tung oil over the past several years.

Supplies of oil from the 1972 harvest, which totaled around 140,000 tons, are plentiful. However, sellers apparently are holding them to cover the potentially short 1973 oil outturn.

**Fruit.** Production of fruit, which declined an estimated 9 percent in 1972 as a result of lower citrus and grape production, will be reduced again this year. This time, however, deciduous fruit is largely responsible for the sharp decline.

Because of severe frost in early October and subsequent hail damage total deciduous fruit production in 1973 is expected to decline 57 percent from the 988,000 tons of 1972.

Apple production is placed at 222,800 tons, or 57 percent below last season, and pear production at 40,000, down 59 percent. Grapes, because of their later stage of development escaped significant damage from the October 1972 frost. Production in 1973 is expected to exceed the 2.6 million-ton level of 1972, which was off 9 percent from 1971 as a result of extreme temperatures, strong winds, late frosts, and hail damage.

For citrus, it looks as if production will rebound from the 20-percent reduced level of 1972, to a record 1.8 million tons, providing climatic conditions continue favorable. Until last year's setback, Argentine citrus production had been rising rapidly, and even the reduced 1972 crop was 29 percent above the 1965-69 average.

On the export side, deciduous fruit exporters state that they will endeavor to supply traditional markets but do not look for shipments in excess of 150,000 tons. Those in 1972, by contrast, totaled 279,000 tons. Shipments of citrus should be even larger than the record volume exported in 1972, which at 39,000 tons was 90 percent over the 1971 level.

**Potatoes.** Area sown to potatoes in 1972-73 probably declined again following a 17-percent drop in 1972. Production that year totaled 1,339,000 tons, against 1,958,000 in 1971. Rising costs of production have been a depressing factor, especially in view of the low prices that have prevailed in past years. Imports may again be necessary, as they were last year when the Government was forced to purchase around 120,000 tons.

**Sugarcane.** Production of cane in 1972 totaled an estimated 10.8 million tons, up 17 percent from the previous year but only 1 percent from the 1965-69 average. If climatic conditions remain favorable, production of refined sugar in 1973 may reach 1.3 million tons, allowing an export quota of 362,000 tons—both records. Major market is the United States.

Looking ahead, the sugar industry is optimistic about future levels of production, and the Government has established export quotas through 1978 with the object of giving the industry a better planning base. By 1978, refined sugar production is projected to reach 1.59 million tons, and exports, 480,000.

**Tobacco.** On the basis of transplantings, the Ministry of Agriculture has estimated 1972-73 tobacco plantings at about 175,600 acres, 7 percent higher than in the previous season. If conditions remain favorable, production could also increase by about 7 percent. This would expand exportable supplies in 1973 but still fall short of the 35,000 tons that exporters claim they could sell. Exports in 1972 are estimated at 15,000-16,000 tons, or slightly less than the 17,400 of 1971.

**Cotton.** Plantings of the cotton crop that will be harvested between February and July 1973 have been estimated by the Ministry of Agriculture at about 1.2 million acres, 21 percent more than in 1972. With continued favorable weather, production could be sufficient to cover local needs of short staple and possibly yield a small exportable surplus.

Last year, area was up 13 percent from the previous season, but drought conditions during both the planting and growing season dashed prospects for a significantly larger harvest, which totaled 90,000 tons, compared with 84,000 in 1971. About 18,000 tons of imports were needed in 1972 to meet local needs.

**Tea.** Prospects are rather dim for a recovery in tea production and exports from the reduced 1972 levels. Last year, green sprout production declined nearly 5 percent to 88,500 tons and manufactured tea, by about 12 percent to 22,000 tons. Exports for the first 11 months of 1972 were about 11,000 tons, or 30 percent below those in the 1971 period. Low prices have been discouraging tea production, and growers have expressed their displeasure with sales boycotts.

*—Based on a dispatch from*
DALTON L. WILSON
*U.S. Agricultural Attaché,*
*Buenos Aires*

# CROPS AND MARKETS

## UN Task Force To Tackle African Drought Problems

Three UN organizations—the Food and Agriculture Organization (FAO), the UN Development Program, and the World Food Program—are working with the Governments of Mauritania, Senegal, Mali, Upper Volta, Niger, and Chad to devise programs to help alleviate effects of the drought that has gripped the area for 5 years.

A short-term project calls for establishment of a task force to help the stricken countries save at least part of their livestock. It is estimated some 2 million head of cattle worth more than $100 million under normal marketing conditions are threatened with starvation.

Consisting of a livestock specialists to be stationed in each of the six countries, a transport specialist, and consultants in meat preservation and hides and skins, the team will also include a commodity specialist who will attempt to locate animal feed specialists in the region and in neighboring countries. One of the task force's major aims will be to try to preserve a nucleus of healthier animals as generating stock for the future.

## Bank Loan To Expand Four Colombia Ports

The Inter-American Bank has approved an $11-million loan to help improve and expand the ports of Barranquilla, Cartagena, Santa Marta, and Buenaventura in Colombia.

The new project will increase both the cargo-handling capacity and the efficiency of the four ports, which account for the movement of virtually all of Colombia's export and import trade. The improvement and expansion of the physical facilities and the introduction of new technical and administrative procedures will enable the ports to handle almost 4.4 million tons of cargo a year by 1982 compared to 2.7 million in 1971.

# COTTON

## U.S. Cotton Teams To Promote Exports

Secretary of Agriculture Earl L. Butz has announced two cotton sales missions will visit countries in Western Europe and the Far East in April and May to promote sales of U.S. cotton. This effort is part of a continuing drive to expand exports of cotton.

The two cotton sales teams, sponsored jointly by the U.S. Department of Agriculture and Cotton Council International, will leave Washington during the last week in April and return to the United States in mid-May. They consist of representatives of the Foreign Agricultural Service and cotton associations, producers, and exporters.

Each team will divide into two groups. In Western Europe, one group will cover Portugal, Spain, Italy, and Austria, and the other Denmark, Norway, Sweden, and Finland. In the Far East, one will go to Japan and Korea and the other to Taiwan and Hong Kong.

The European countries to be visited imported 2 million bales of cotton during the 1971-72 crop year and the Far Eastern countries imported 5.3 million bales. Together these countries accounted for 40 percent of world cotton imports.

# LIVESTOCK AND MEAT PRODUCTS

## 1973 U.S. Meat-Import Estimate Continues Unchanged

Calendar 1973 imports of meat subject to the Meat Import Law are estimated at 1,450 million pounds—unchanged from the first 1973 quarterly estimate.

Restraints on imports of meat subject to the Law (P.L. 88-482) were first removed by President Nixon in June 1972. Then on January 29, 1973, the President issued a proclamation to continue this suspension for calendar 1973.

Imports of meat subject to the Law for the first 2 months of this year were 22 percent above the year-earlier level. Part of this increase resulted from drought-induced slaughter and larger exports by some supplying countries. The rate of increase in imports is expected to be lower for the remainder of this year because of increased demand in other areas, especially Western Europe and Japan.

## U.K. Swine Disease Situation Worsens

The British Ministry of Agriculture has made the whole of England and Wales a "controlled area," following an outbreak of swine vesicular disease near Barnsley, South Yorkshire, on February 23, 1973. Under the controlled area restriction, the movement and marketing of pigs had been prohibited except under notification to local authorities.

The Barnsley outbreak is the 61st to have been confirmed; the total pigs slaughtered under the eradication program has now reached 27,342.

## Australian Sheepmen To Vote On Merino Stud Exports

The Australian Government recently canceled exportation of 30 Merino rams to the People's Republic of China, and the country's major breeders and wool producers will be asked to vote on the question of future exports. Some 85,000 sheepmen, in addition to members of the Australian Association of Stud Merino Breeders, will be asked to cast ballots

in a referendum to be held some time before next June. Any wool producer having an output of 3,000 pounds per year can vote.

The ballot will contain two questions asking whether unlimited Merino ram exports should be allowed by the Australian Government, or whether exports should be limited to 300 rams annually. The previous Government had a policy of permitting export of 300 Merino rams a year. Because the referendum will probably not be held before midyear, it is generally believed that the question of stud exports cannot be settled before the April 1974 ram sales.

### Yugoslav Meat Supply Difficulties Continue

The Yugoslav Government has adopted a program to reduce livestock and livestock product exports during the first half of 1973 to improve the domestic meat supply. Only restricted amounts of fresh beef were exported during March, and pork exports will be nearly halted through June.

Exports of live animals will be slowed by officially changing them from the free export list to the licensed export list. Imports will be increased to 12,500 tons of beef, 25,000 tons of pork, and 5,000 tons of chicken in 1973 as temporary measures to reverse the current supply situation.

## FRUITS, NUTS, AND VEGETABLES

### Spanish Table Olive Crop Down

Spain's 1972 table olive crop is placed at 105,000 short tons, well below last year's large 138,000-ton harvest. A sharply reduced yield of the Queen variety accounts for virtually all the decline. Quality is reported to be average or above, with insect and weather damage taking a much smaller toll than originally anticipated.

The export market has been sluggish during the early months of the 1972-73 season, reflecting the trade's uncertainty over the monetary crisis and the substantial quantities in U.S. stocks purchased before devaluation.

The 105,000-ton Spanish crop comprises the following kinds, given in thousands of tons (with the 1971 output in parentheses): Manzanillas and similar varieties—55 (60); Queens—11 (40); other exportable varieties—28 (22); nonexportable varieties—11 (16).

Prices in late February 1973, were well above a year earlier. Unclassified Manzanillas from the 1972 crop were quoted at 22.5 U.S. cents per pound, with unclassified Queens at 24.6 U.S. cents per pound. This compares with 17.4 and 17.2 U.S. cents per pound, respectively, quoted in 1972. These price increases are partly because of the 16-percent revaluation of the peseta in relation to the dollar in the past year.

Export statistics for 1972-73 are not available, but the trade indicates that foreign sales are sharply below the level of a year ago, although there is no consensus.

Overseas shipments totaled 82,700 tons during the 1971-72 season, with 49,600 tons (60 percent) being sold to the United States. Detailed tables will appear in the April 30 issue of *World Agricultural Production and Trade*.

## TOBACCO

### EC 1973-74 Tobacco Price Proposals

The European Community Commission has submitted to the Council its proposals for 1973-74 standard and intervention prices for tobacco. The Commission proposes price increases in units of account of about 2.7 percent for most varieties. No increases have been proposed, however, for Italian burley and Xanti-yaka (oriental), the two varieties in greatest surplus and for which export subsidies were authorized in January of this year. Likewise, no increases have been proposed for four other varieties of oriental and dark air-cured tobaccos.

Italian burley and bright (2.78-percent increase proposed) are the two EC varieties which compete most directly with U.S. burley and flue-cured tobaccos.

Because of the deviations which have occurred between the unit of account and members' currencies, the proposed 2.7-percent increases would not be reflected uniformly in tobacco support prices in the producing members. The Commission's proposals, however, are designed to go part way toward realining the support prices of the members.

For example, in Italy, prices in terms of the lira (which have depreciated relative to the unit of account) would go up by about 6.7 percent for those varieties for which increases have been recommended. Prices for varieties for which no increases have been proposed would go up by 4 percent in lira.

In France, where the franc has remained steady relative to the unit of account, the franc support price would rise by the proposed 2.7 percent.

On the other hand, no increases would result in Belgium or Germany where the franc and mark have appreciated.

## FATS, OILS, AND OILSEEDS

### Higher Yields Boost 1973 Brazilian Soybean Crop Estimate

Latest estimates of Brazil's 1973 soybean crop by private trade sources now range from 4.4-4.8 million metric tons. Reportedly, Brazilian Government sources have recently estimated the crop at 4.7 million tons. These preharvest estimates compare with the earlier Foreign Agricultural Service forecast of 4.2 million tons, made near the end of the planting season.

Current estimates tend to confirm the earlier expectations for a 28-percent expansion in area. However, as a result of an excellent growing season, it is now reported that 1973 yields per acre have achieved a further substantial gain from the record 1972 level.

### Canada's Intended Oilseed Acreage, 1973

Canada's farmers intend to plant slightly less rapeseed but more flaxseed and soybeans, according to estimates released by Statistics Canada on April 6, based on an intentions survey as of March 15.

The rapeseed area, estimated at 3.22 million acres, would

decline 2 percent, or 50,000 acres, from the 3.27 million seeded in 1972.

Flaxseed acreage would increase to 1.66 million acres—up 17 percent from the 1.42 million planted last season—and the prospective soybean area, at 440,000 acres, would increase 9 percent from the 1972 seeded area of 405,000 acres.

Based on 3-year averages of seeded and harvested acreage and average yields per acre, oilseed production in 1973 can be tentatively projected as follows: Rapeseed at 58.2 million bushels, flaxseed at 20 million bushels, and soybeans at 13.3 million bushels.

## Peruvian Fishing Resumes

The Peruvian Government has announced that anchovy fishing was resumed on April 9. Fishing was to be permitted only 4 days per week; no catches were to be allowed on Friday, Saturday, and Sunday. Also, vessels were to be permitted only one voyage per day.

No quota has been announced for the month of April nor for the year as a whole. The outlook therefore continues uncertain and fishmeal prices remain very high at $410 per short ton c.i.f. gulf coast.

# GRAINS, FEEDS, PULSES, AND SEEDS

## Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

| Item | April 11 | Change from previous week | A year ago |
|---|---|---|---|
| | *Dol. per bu.* | *Cents per bu.* | *Dol. per bu.* |
| Wheat: | | | |
| Canadian No. 1 CWRS-14 | 3.15 | +5 | 1.98 |
| USSR SKS-14 | (1) | (1) | 1.86 |
| Australian FAQ [2] | (1) | (1) | (1) |
| U.S. No. 2 Dark Northern Spring: | | | |
| 14 percent | 2.76 | +1 | 1.89 |
| 15 percent | 2.85 | +6 | 1.97 |
| U.S. No. 2 Hard Winter: | | | |
| 13.5 percent | 2.80 | +3 | 1.80 |
| No. 3 Hard Amber Durum | 2.91 | +5 | 1.82 |
| Argentine | (1) | (1) | (1) |
| U.S. No. 2 Soft Red Winter | (1) | (1) | (1) |
| Feedgrains: | | | |
| U.S. No. 3 Yellow corn | 2.04 | +4 | 1.44 |
| Argentine Plate corn | 2.19 | +1 | 1.72 |
| U.S. No. 2 sorghum | 2.08 | +3 | 1.50 |
| Argentine-Granifero sorghum | 2.06 | +3 | 1.52 |
| U.S. No. 3 Feed barley | 1.75 | +7 | 1.22 |
| Soybeans: | | | |
| U.S. No. 2 Yellow | 6.58 | +32 | 3.78 |
| EC import levies: | | | |
| Wheat [3] | [4] 1.55 | −11 | 1.68 |
| Corn [5] | [4] 1.32 | +11 | 1.10 |
| Sorghum [5] | [4] 1.27 | +10 | 1.10 |

[1] Not quoted. [2] Basis C.I.F. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 23 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

## Japan's Pulse Import Quota

The Government of Japan has announced pulse import quotas totaling $10.93 million for the first half of the Japanese 1973 pulse marketing year. Most pulses under this quota will be imported within the next 6 months. The quota includes allocations of $4.55 million for kidney beans; $1.65 million for broad beans; $3.2 million for azuki beans; and $1.53 million for dry peas.

Compared with the first half of Japan's 1972 marketing year, these allocations represent decreases of $1.4 million for kidney beans; $9.7 million for azuki beans; and $1.1 million for peas; and an increase of $90,000 for broad beans.

## Record Japanese Wheat Imports

The Japanese Food Agency has completed its wheat import purchases for the Japanese fiscal year (JFY) which ended March 31, 1972. Purchases from all origins total a record 4.9 million metric tons, up 3 percent from the 4.75 million tons purchased in the previous JFY. Purchases of U.S. wheat in JFY 1972-73 were a record 2.84 million tons (104 million bushels), up 29 percent from a year earlier.

The U.S. share of total Food Agency purchases in JFY 1972-73 was 58 percent compared with 43 percent in JFY 1971-72. Purchases of Canadian wheat were down 8 percent and those of Australian wheat were 46 percent lower.

## Grain Exports and Transportation Trends: Week Ending March 30

Weekly export inspections of wheat, feedgrains, and soybeans totaled 1.5 million metric tons for the week ending March 30—down 12 percent from the week before and 13 percent below the February weekly average. Shipments were: Wheat, 635,000 tons; feedgrains, 602,000; and soybeans, 267,000.

Inland transportation was steady. Railcar loadings of grain totaled 30,973 cars, about the same as the previous week. Barge shipments of grain, at 447,000 metric tons, were down 3 percent from the week before.

GRAIN EXPORTS AND TRANSPORTATION TRENDS: WEEK ENDING MARCH 30

| Item | Week ending Mar. 30 | Previous week | Weekly average, Feb. | Weekly average, second quarter |
|---|---|---|---|---|
| | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Weekly inspections for export: | | | | |
| Wheat | 635 | 556 | 670 | 557 |
| Feedgrains | 602 | 722 | 700 | 595 |
| Soybeans | 267 | 430 | 357 | 351 |
| Total | 1,504 | 1,708 | 1,727 | 1,503 |
| Inland transportation: | | | | |
| Barge shipments of grain | 447 | 463 | 482 | 559 |
| | *Number* | *Number* | *Number* | *Number* |
| Railcar loadings of grain | 30,973 | 30,993 | 33,251 | 30,923 |

## New Foreign Agriculture Circulars

- Spanish Situation for Fats and Oils (FFO-7-73)
- World Cocoa Bean Crop Lower (FCB-1-73)
- Middle East Grain Imports Likely To Increase (FG-5-73)

Single copies may be obtained free from the Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250, Rm. 5918 S.; Tel.: 202-447-7937.

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## Greater Cooperation in Shipping (Continued from page 7)

which are disparate. The Commission has further ordered that it be kept current on the progress made by the carrier in removing disparities. Such action, of course, requires shipper support.

The Maritime Administration of the Department of Commerce also is trying to help exporters by studying and encouraging the establishment of port terminal interfacing. This would provide for smooth, efficient pickup and delivery of exports or imports at a port area, and would free the terminal from the congestion that is often the result of uncontrolled movements by rail and motor carriers to the port. Vessel delays also occur because of slow discharge of containerized or breakbulk cargo at the port area.

In addition, the Maritime Administration recently held the first of a series of "AsTec" conferences to assess the technology of exporting perishable commodities. The conference, held in Washington, D.C., and dealing with refrigerated containers, was attended by a number of carriers, exporters, and container manufacturers, and by representatives of Government agencies and departments involved. Scheduled for April 19 is an AsTec conference on tank containers, also in Washington; scheduled for May 2 is a second assessment on refrigerated containers, this time in Los Angeles, with the spotlight on the Far Eastern market.

It has been demonstrated that the Government agencies are concerned about transportation needs and want to do more to help. But they cannot do this mammoth task alone. Shippers must be willing to help by becoming involved in action programs whose sole aim is to provide a better service for all exporters regardless of their location.

Containerization started a revolution against archaic methods of transportation throughout the world. As in all revolutions, new leaders often emerge with new and refreshing ideas on how things can be done better, and thus they justify the need for revolution in the first place. The results are the new favorable attitudes, a necessary first step in overcoming resistance to any change and to recognition that when there is a transportation problem, it is a three-way problem, of concern to shipper, carrier, and Government alike.

## India Soybean Production (Continued from page 9)

diets. The Food Corporation is constructing a 125-ton-per-day capacity soybean processing plant with assistance from the United Nations Children's Fund (UNICEF). The plant, which will have facilities to be expanded to 250 tons per day later, will meet requirements of baby food manufacture, fortification of wholemeal wheat flour, dietary supplements for preschool feeding, and other social welfare programs.

The annual requirements of soybeans for the proposed plant would be about 37,000 tons. At present there are no facilities in India capable of producing edible soybean meal of the required standards. However, commercial production from the proposed plant is not expected to begin for 2 years or more.

INDIA: AREA UNDER SOYBEAN CULTIVATION, BY STATES, 1971-72 AND 1972-73
[In acres]

| State | 1971-72 | | 1972-73 | |
|---|---|---|---|---|
| | Target | Actual | Target | Actual |
| Madhya Pradesh | 24,710 | [1] 15,500 | 49,420 | 36,850 |
| Uttar Pradesh | 24,710 | [2][3] 14,500 | 61,775 | 23,030 |
| Maharashtra | 37,065 | [4] 40,600 | 29,652 | 2,582 |
| Gujarat | 24,710 | [5] 1,500 | 4,942 | 3,247 |
| Orissa | (6) | [1] 350 | (6) | (7) |
| Punjab | (6) | [1] 1,500 | (6) | (7) |
| Mysore | (6) | [1] 850 | (6) | (7) |
| Total | 111,195 | [6] 74,800 | 145,789 | 65,709 |

[1] Grown as sole crop. [2] Includes 5,192 acres under seed production program. [3] Includes 9,521 acres grown as sole crop and 4,821 acres as mixed crop. [4] Grown as mixed crop. [5] Grown as sole and mixed crop. [6] Equivalent to about 62,000 acres on sole crop basis. [7] Not available.